



**CORRECTED
FISCAL MEMORANDUM**

HB 68 - SB 249

April 13, 2023

SUMMARY OF BILL AS AMENDED (003486): Redefines the criteria for “priority students” for purposes of attending an after-school learning mini-camp, a learning loss bridge camp, or a summer learning camp. Adds students entering grade nine as priority students for learning loss bridge camps. Requires local education agencies and public charter schools to conduct summer learning camps and after-school learning mini-camps for students entering grades kindergarten through three (K-3); requires these camps be annually as opposed to the summers immediately following the 2020-21 and 2021-22 school years.

FISCAL IMPACT OF BILL AS AMENDED:

Based on further analysis, the fiscal memorandum, issued on March 5, 2023, is being updated as follows:

(CORRECTED)

Increase State Expenditures –

\$21,433,500/FY23-24 and Subsequent Years/General Fund

\$5,760,000/FY23-24 and Subsequent Years/LEAP

Other Fiscal Impact – The state receives approximately \$182,200,000 in TANF block grant funding each year and the state’s TANF balance as of September 30, 2022 was \$753,890,600. The proposed legislation will draw upon existing federal TANF dollars in the amount of \$13,698,900 in FY23-24 and subsequent years.

General Assumptions for the bill as amended:

- In the January 2021 special legislative session, the Tennessee General Assembly enacted the Tennessee Learning Loss Remediation and Student Acceleration Act to address the learning loss of students due to COVID-19 related school closures.
- The Act required implementation of summer learning camps and after-school learning mini camps for the summers of 2021 and 2022 for priority students entering grades one through five, respectively. The Act originally required implementation of learning loss bridge camps indefinitely for students entering grades six through eight in school years 2021-22 and 2022-23, and students entering grades four through eight in 2023-24 and subsequent years.

- The proposed legislation extends all camps indefinitely and allows students entering kindergarten through grade three to participate in summer learning camps and after school summer learning mini camps.
- The proposed legislation will allow students entering ninth grade to participate in the learning loss bridge camps. Under current law, the learning loss bridge camps were geared toward entering students in grades four through eight and this legislation allows LEAs to prioritize students entering the ninth grade.
- It is estimated that there will be a maximum of 20 students per classroom for each camp;
- Based on the state's economically disadvantaged rate, approximately 33.5 percent of students will be eligible for TANF funds.

Assumptions regarding after-school learning mini-camps:

- The after-school learning mini-camps will serve entering students in K-3 plus a child who is "at-risk", as defined by Tenn. Code Ann. § 49-6-104(a), if included at the discretion of the local education agency. It is assumed that an equivalent of five grades will be served.
- Based on DOE's 2022 annual report on Tennessee Learning Loss Remediation and Student Acceleration Act, 72,184 students were enrolled in the summer learning and the after-school mini camps across five grades.
- Therefore, extending these camps in future years across five grades will have an estimated enrollment of 72,184.
- As a result, 3,609 classrooms (72,184 total students / 20 student maximum class size) will be required.
- The primary classroom cost, including the teacher stipend and overhead, is estimated to be \$400 per week.
- The total cost of after-school learning mini-camps is estimated to be \$8,661,600 (3,609 classrooms x \$400 x 6 weeks) in FY23-24 and subsequent years.
- The portion of the cost that will be funded with TANF funds is estimated to be \$2,901,636 (\$8,661,600 x 33.5%) in FY23-24 and subsequent years.
- The remaining costs of \$5,759,964 (\$8,661,600 - \$2,901,636) in each FY23-34 and subsequent years will be funded by Lottery for Education After-School Program (LEAP) reserve funds.
- As of June 30, 2022, the LEAP reserve funds had a balance of \$50,271,176.

Assumptions regarding summer learning camps:

- Summer learning camps will serve entering students in K-3 plus a child who is "at-risk", as defined by Tenn. Code Ann. § 49-6-104(a), if included at the discretion of the local education agency. It is assumed that an equivalent of five grades will be served.
- Based on DOE's 2022 annual report on Tennessee Learning Loss Remediation and Student Acceleration Act, 72,184 students were enrolled in the summer learning and the after-school mini camps across five grades.
- Therefore, extending these camps in future years across five grades will have an estimated enrollment of 72,184.

- As a result, 3,609 classrooms (72,184 total students / 20 student maximum class size) will be required.
- The primary classroom cost, including the teacher stipend and overhead, is estimated to be \$1,400 per week.
- The total cost of the summer learning camp is estimated to be \$30,315,600 (3,609 classrooms x \$1,400 x 6 weeks) in FY23-24 and subsequent years.
- The portion of the cost that will be funded with TANF funds is estimated to be \$10,155,726 (\$30,315,600 x 33.5%) in each of those years.
- The remaining costs of \$20,159,874 (\$30,315,600 - \$10,155,726) in FY23-24 and subsequent years will be funded by a General Fund appropriation.

Assumptions regarding learning loss bridge camps:

- The learning loss bridge camps will serve entering students in grades four through nine (6 grades). Currently these camps serve students entering grades four through eight beginning in the 2023-24 school year; therefore, adding grade nine will result in an increase in state expenditures.
- Based on DOE's 2022 annual report on Tennessee Learning Loss Remediation and Student Acceleration Act, 20,485 students were enrolled in the learning loss bridge camp across three grade levels (at the time the learning loss bridge camp served students in grades six through eight). Therefore; adding one grade level will increase enrollment by approximately 6,828 (20,485 / 3).
- As a result, 342 classrooms (6,828 total students / 20 student maximum class size) will be required.
- The primary classroom cost, including the teacher stipend and overhead, is estimated to be \$1,400 per week.
- The total cost of learning loss bridge camps is estimated to be \$1,915,200 (342 classrooms x \$1,400 x 4 weeks) in FY23-24 and subsequent years.
- The portion of the cost that will be funded with TANF funds is estimated to be \$641,592 (\$1,915,200 x 33.5%) in in FY23-24 and subsequent years.
- The remaining costs of \$1,273,608 (\$1,915,200 - \$641,592) FY23-24 and subsequent years will be funded by a General Fund appropriation.

Assumptions regarding total increases in expenditures:

- The total increase in state expenditures from the General Fund is estimated to be \$21,433,482 (\$20,159,874 + \$1,273,608) in FY23-24 and subsequent years.
- The total increase in state expenditures for LEAP is estimated to be \$5,759,964 in FY23-24 and subsequent years.
- Approximately \$13,698,954 (\$2,901,636 + \$10,155,726 + \$641,592) in FY23-24 and subsequent years will be funded with TANF funds.
- The recurring annual amount the state receives from the federal government per the TANF block grant is approximately \$182,200,000. Additionally, the Department of Human Services (DHS) has the authority to draw from TANF reserve funds, the balance of which, as of September 30, 2022, was approximately \$753,890,600.

- Funding of the expenditures under the Tennessee Learning Loss Remediation and Student Acceleration Act will increase expenditures for the DHS; however, these expenditures can be absorbed within the DHS's existing TANF block grant, either through the annual funding received by DHS or by drawing from the TANF reserve funds.
- There will not be an increase in state expenditures as the DHS is only required to meet TANF maintenance of effort requirements, which the DHS does on an annual basis under current law.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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